

**BANKING DIVISION[187]**

**Adopted and Filed**

**Rule making related to licensing sanctions regarding student loan debt**

The Iowa Division of Banking hereby amends Chapter 19, “Mortgage Loan Originators,” Iowa Administrative Code.

*Legal Authority for Rule Making*

This rule making is adopted under the authority provided in Iowa Code sections 17A.3 and 535D.21.

*State or Federal Law Implemented*

This rule making implements, in whole or in part, Iowa Code chapters 17A and 535D.

*Purpose and Summary*

These amendments rescind the Division’s rules regarding denying an application for a mortgage loan originator (MLO) license when the applicant is in default or delinquent on student loan debt as determined by the College Student Aid Commission pursuant to Iowa Code chapter 261. In 2019, the Legislature enacted 2019 Iowa Acts, Senate File 304, which repealed Iowa Code sections 261.121 to 261.127, effectively repealing the provisions whereby the College Student Aid Commission could issue a certificate of noncompliance for failure to repay student loans. The amendments reflect the changes made by Senate File 304 and rescind the Division’s rules implementing the now-defunct certificate of noncompliance program.

*Public Comment and Changes to Rule Making*

Notice of Intended Action for this rule making was published in the Iowa Administrative Bulletin on February 26, 2020, as **ARC 4941C**. No public comments were received. No changes from the Notice have been made.

*Adoption of Rule Making*

This rule making was adopted by the Superintendent of Banking on June 16, 2020.

*Fiscal Impact*

This rule making has no fiscal impact to the State of Iowa.

*Jobs Impact*

After analysis and review of this rule making, no impact on jobs has been found.

*Waivers*

Any person who believes that the application of the discretionary provisions of this rule making would result in hardship or injustice to that person may petition the Division for a waiver of the discretionary provisions, if any, pursuant to 187—Chapter 12.

*Review by Administrative Rules Review Committee*

The Administrative Rules Review Committee, a bipartisan legislative committee which oversees rule making by executive branch agencies, may, on its own motion or on written request by any individual or group, review this rule making at its [regular monthly meeting](#) or at a special meeting. The Committee’s

meetings are open to the public, and interested persons may be heard as provided in Iowa Code section 17A.8(6).

*Effective Date*

This rule making will become effective on August 19, 2020.

The following rule-making actions are adopted:

- ITEM 1. Rescind paragraph **19.3(2)“i.”**
- ITEM 2. Reletter paragraph **19.3(2)“j”** as **19.3(2)“i.”**
- ITEM 3. Rescind and reserve rule **187—19.14(17A,261)**.

[Filed 6/17/20, effective 8/19/20]

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EDITOR’S NOTE: For replacement pages for IAC, see IAC Supplement 7/15/20.